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PART II

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Uniform System of Accounts for Class D Public Utilities and Licensees

Order No. 204[1] issued May 29, 1958 (23 F.R. 4160, June 12, 1958). That System of Accounts, as revised and prescribed hereinafter, follows the numbering system (accounts, instructions, definitions, etc.) used in the Notice of Proposed Rulemaking referred to above.

Important developments in the electric power industry since the adoption in 1936 of the Uniform System of Accounts effective January 1, 1938, and the experience of the Commission over the past 24 years indicated the need for a revision of the System of Accounts. Accordingly, this proceeding was commenced by Notice of Proposed Rulemaking served upon interested parties, including State and Federal regulatory agencies, and by publication in the FEDERAL REGISTER on August 10, 1960 (25 F.R. 7601). Copies of the proposed revised System of Accounts were served and published as a part of that general notice, as heretofore noted.

The revisions of the Commission's System of Accounts, as then proposed are prescribed hereinafter as part of the Commission's Uniform System of Accounts to become effective January 1, 1961.

Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class D Public Utilities and Licensees, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgment of the accounts for large public utilities and licensees by means of account charts appearing as Appendix III of the pamphlet version of the Uniform System of Accounts. In these account charts, the condensed accounts applicable to the small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. An objective of the System of Accounts, prescribed hereinafter, is to relieve small utilities from that burden. It is believed that the revised System of Accounts provides these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations. The revised System of Ac-

[1] The Uniform System of Accounts effective January 1, 1938, was prescribed by Commission Order No. 43, dated December 31, 1936 (2 F.R. 77, January 16, 1937); and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). Insofar as the above sections are by their terms applicable to State and municipal licensees, that requirement was dispensed with by the Act of August 15, 1953, 67 Stat. 587.

[2] Also see Order No. 216 issued October 22, 1959 (24 F.R. 8790, October 29, 1959).

Title 18—CONSERVATION OF POWER

Chapter I—Federal Power Commission

SUBCHAPTER C—ACCOUNTS, FEDERAL POWER ACT

[Order No. 226; Docket No. R-185]

PART 105—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS D PUBLIC UTILITIES AND LICENSEES

This Commission has under consideration in this proceeding the revision of Part 104—Application of Uniform System of Accounts to Class C and Class D Public Utilities and Licensees of Subchapter C—Accounts, Federal Power Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR.), to prescribe a revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class D). That revised System of Accounts, as set forth in the attachment to the Notice of Proposed Rulemaking in this docket (25 F.R. 7602–7616) is prescribed hereinafter to become effective January 1, 1961, as a new part of the CFR, Part 105.

Part 104, §§ 104.1 through 104.11, of said Title and Code correspond to, and appear at pages 195–219 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, effective January 1, 1937 (effective January 1, 1938, as to Class C and Class D Public Utilities and Licensees),[1] revised to September 1, 1957, as amended by

counts prescribed herein reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts Prescribed for Class A and Class B Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, Docket No. R–173. The revised System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

a. New size classifications for electric utilities;

b. Certain necessary new accounts;

c. New arrangement of balance sheet and certain other accounts to make them more informative;

d. A reduced number of expense account classifications, mainly but not entirely, by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;

e. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and

f. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

In recommending the form of revised System of Accounts accompanying the Notice of Proposed Rulemaking in this proceeding, the staff of this Commission correlated its activities with the activities of the National Association of Railroad and Utility Commissioners (NARUC) which has recently prepared a form of NARUC Uniform System of Accounts for Class D electric utilities. This was done to promote continued consistency and uniformity of approach to the common problems with which the two accounting systems are concerned; and to assure a minimum amount of deviation where the two accounting systems do differ. The staff's activities in this regard were undertaken mainly with the Committee on Statistics and Accounts of the NARUC.

The aforesaid Notice of Proposed Rulemaking provided for the submission of data, views, comments, or protests in writing not later than September 12, 1960. To date no such data, views, comments, or protests have been received.

The Commission recognizes that some burden and expense will have to be borne by the accounting and reporting parties affected in connection with the transition from the present to the revised System of Accounts. However, the Commission is of the opinion that the physical burden and monetary cost of the change over is of minor importance when viewed in relation to the immediate and future benefits to be derived from the revised System of Accounts, as prescribed herein.

For the convenience of all parties concerned, Appendix A set forth below correlates the account titles of the Commission's Uniform System of Accounts applicable to Class D Public Utilities and Licensees, effective January 1, 1938, with the revised System of Accounts prescribed herein effective January 1, 1961. Being a schematic presentation only, and of a very general nature, nothing contained therein shall be construed as in any way modifying the general or specific account titles, texts, and instructions of either of the Systems of Accounts.

Also, it should be noted that for the period of time required for the preparation and publication of the revised System of Accounts prescribed herein in pamphlet form, the revised System of Accounts (18 CFR Part 105) will be available in the printed form set forth below as Appendix B.

The Commission finds:

(1) In view of the foregoing, and upon consideration of all relevant matters presented, it is necessary and appropriate for the purposes of the Federal Power Act, that the proposed revised System of Accounts as set forth in the Notice of Proposed Rulemaking (25 F.R. 7602–7616), be adopted and promulgated as this Commission's revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class D), effective January 1, 1961, all in the manner as hereinafter provided.

(2) Good cause exists for the adoption of the revised System of Accounts set forth herein to be effective as of January 1, 1961.

The Commission, acting pursuant to the Federal Power Act, as amended particularly sections 301(a), 304, and 309 (16 U.S.C. 825, 825c, and 825h) orders:

(A) Effective January 1, 1961, Subchapter C—Accounts, Federal Power Act of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations is amended by the addition of a new Part 105 to read as set forth in Appendix B below.

(B) Effective January 1, 1961, all Class D Public Utilities and Licensees under the Federal Power Act shall keep their accounts in the manner set forth in the revised System of Accounts appearing in Appendix B below.

(C) The Secretary of the Commission shall cause prompt publication of this order.

Issued: December 17, 1960.

By the Commission.

[SEAL] J. H. GUTRIDE,
Secretary.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Electric plant:			
Electric plant in service, leased to others and held for future use.	2100.1	100	Electric plant.
		393	Electric plant leased to others.
		394	Electric plant held for future use.
Construction work in progress	2100.3	395	Construction work in progress—electric.
Electric plant acquisition adjustments	2100.5	396	Electric plant acquisition adjustments.
Electric plant in process of reclassification	2100.6	392	Electric plant in process of reclassification.
Electric plant adjustments	2107	397	Other electric plant adjustments.
Other utility plant	2108	118	Other utility plant.
2. Investment and Fund Accounts			*2. Other Property and Investments*
Other physical property	2110	121	Nonutility property.
Miscellaneous investments and special funds	2114	124	Other investments.
		125	Special funds.
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	2120	131	Cash and working funds.
Temporary cash investments	2128	132	Temporary cash investments.
		141	Notes receivable.
Notes and accounts receivable	2124	142	Customer accounts receivable.
Receivables from associated companies	2126	143	Other accounts receivable.
Materials and supplies	2131	150	Materials and supplies.
Prepayments	2132	165	Prepayments.
Miscellaneous current and accrued assets	2133	170	Other current and accrued assets.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	2140	181	Unamortized debt discount and expense.
Extraordinary property losses	2141	182	Extraordinary property losses.
Miscellaneous deferred debits	2146	183	Other deferred debits.
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
5. Proprietary Capital			*5. Proprietary Capital*
7. Capital Stock			
Common capital stock	2200	201	Common capital stock.
Preferred capital stock	2201	204	Preferred capital stock.
Stock liability for conversion	2202		
Premiums for assessments on capital stock	2203	207	Other paid-in capital.
Capital stock subscribed	2204		
Installments received on capital stock	2205	212	Installments received on capital stock.
6. Long-Term Debt			*6. Long-Term Debt*
8. Long-Term Debt			
Bonds	2210	221	Bonds.
Receivers' certificates	2211	224	Other long-term debt.
Advances from associated companies	2212	223	Advances from associated companies.
Miscellaneous long-term debt	2213	224	Other long-term debt.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Electric plant	100	2100.1	Electric plant in service, leased to others, and held for future use.
Accumulated provision for depreciation and amortization of electric plant.	110	2250	Reserve for depreciation of electric plant.
		2251	Reserve for limited term electric investments.
Other utility plant	118	2108	Other utility plant.
Accumulated provision for depreciation and amortization of other utility plant.	119	2253	Reserve for depreciation and amortization of other property.
2. Other Property and Investments			*2. Investment and Fund Accounts*
Nonutility property	121	2110	Other physical property.
Accumulated provision for depreciation and amortization of nonutility property.	122	2253	Reserve for depreciation and amortization of other property.
Other investments	124	2114	Miscellaneous investments and special funds.
Special funds	125		
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	131	2120	Cash and working funds.
Temporary cash investments	132	2123	Temporary cash investments.
		2124	Notes and accounts receivable.
Notes receivable	141	2126	Receivables from associated companies.
		2221	Notes receivable discounted.
Customer accounts receivable	142	2124	Notes and accounts receivable.
		2124	Notes and accounts receivable.
Other accounts receivable	143	2126	Receivables from associated companies.
Accumulated provision for uncollectible accounts—credit.	144	2254	Reserve for uncollectible accounts.
Materials and supplies	150	2131	Materials and supplies.
Prepayments	165	2132	Prepayments.
Other current and accrued assets	170	2133	Miscellaneous current and accrued assets.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	181	2140	Unamortized debt discount and expense.
Extraordinary property losses	182	2141	Extraordinary property losses.
Other deferred debits	183	2146	Miscellaneous deferred debits.
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
5. Proprietary Capital			*7. Capital Stock*
Common capital stock	201	2200	Common capital stock.
Preferred capital stock	204	2201	Preferred capital stock.
		2202	Stock liability for conversion.
Other paid-in capital	207	2203	Premiums for assessments on capital stock.
		2204	Capital stock subscribed.
		2270	Capital surplus.
Installments received on capital stock	212	2205	Installments received on capital stock.
Discount on capital stock	213	2150	Discount on capital stock.
Capital stock expense	214	2151	Capital stock expense.
Appropriated earned surplus	215	2271	Earned surplus.
Unappropriated earned surplus	216		
Reacquired capital stock	217	2152	Reacquired securities.
Non-corporate proprietorship	218	------	New account.
6. Long-Term Debt			*8. Long-Term Debt*
Bonds	221	2210	Bonds.
		2152	Reacquired securities.
Advances from associated companies	223	2212	Advances from associated companies.
Other long-term debt	224	2211	Receivers' certificates.
		2213	Miscellaneous long-term debt.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
9. Current and Accrued Liabilities			*7. Current and Accrued Liabilities*
Notes and accounts payable	2220	231	Notes payable.
		232	Accounts payable.
Notes receivable discounted	2221	141	Notes receivable (see note).
Payables to associated companies	2223	238	Other current and accrued liabilities.
Dividends declared	2224	238	Other current and accrued liabilities.
Matured long-term debt	2225		
Matured interest	2226		
Customers' deposits	2227	235	Customer deposits.
Taxes accrued	2228	236	Taxes accrued.
Interest accrued	2229	237	Interest accrued.
Other current and accrued liabilities	2230	238	Other current and accrued liabilities.
10. Deferred Credits			*8. Deferred Credits*
Unamortized premium on debt	2240	251	Unamortized premium on debt.
Customers' advances for construction	2241	252	Customer advances for construction.
Other deferred credits	2242	253	Other deferred credits.
11. Reserves			*9. Operating Reserves*
Reserve for depreciation of electric plant	2250	110	Accumulated provision for depreciation and amortization of electric plant.
Reserve for amortization of limited-term electric investments.	2251		
Reserve for amortization of electric plant acquisition adjustments.	2252	396	Electric plant acquisition adjustments.
		119	Accumulated provision for depreciation and amortization of other utility plant.
Reserve for depreciation and amortization of other property.	2253	122	Accumulated provision for depreciation and amortization of nonutility property.
Reserve for uncollectible accounts	2254	144	Accumulated provision for uncollectible accounts—credit.
		261	Property insurance reserve.
Miscellaneous reserves	2258	264	Amortization reserve—Federal.
		265	Miscellaneous operating reserves.
12. Contributions in Aid of Construction			*10. Contributions in Aid of Construction*
Contributions in aid of construction	2265	271	Contributions in aid of construction.
14. Surplus			
Capital surplus	2270	207	Other paid-in capital.
		215	Appropriated earned surplus.
Earned surplus	2271	216	Unappropriated earned surplus.
ELECTRIC PLANT ACCOUNTS			ELECTRIC PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
		301	Organization.
Intangible plant	2301	302	Franchises and consents.
		303	Miscellaneous intangible plant.
2. Production Plant			*2. Production Plant*
A. Steam Production			*A. Steam Production*
Land and land rights	2310	310	Land and land rights.
Structures and improvements	2311	311	Structures and improvements.
Steam production plant equipment	2312	312	Steam power equipment.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
7. Current and Accrued Liabilities			*9. Current and Accrued Liabilities*
Notes payable	231	2220	Notes and accounts payable.
Accounts payable	232		
Customer deposits	235	2227	Customers' deposits.
Taxes accrued	236	2228	Taxes accrued.
Interest accrued	237	2229	Interest accrued.
		2223	Payables to associated companies.
		2224	Dividends declared.
		2225	Matured long-term debt.
Other current and accrued liabilities	238	2226	Matured interest.
		2230	Other current and accrued liabilities.
8. Deferred Credits			*10. Deferred Credits*
Unamortized premium on debt	251	2240	Unamortized premium on debt.
Customer advances for construction	252	2241	Customers' advances for construction.
Other deferred credits	253	2242	Other deferred credits.
9. Operating Reserves			*11. Reserves*
Property insurance reserve	261	2258	Miscellaneous reserves.
Amortization reserve—Federal	264		
Miscellaneous operating reserves	265		
10. Contributions in Aid of Construction			*12. Contributions in Aid of Construction*
Contributions in aid of construction	271	2265	Contributions in aid of construction.
ELECTRIC PLANT ACCOUNTS			ELECTRIC PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
Organization	301	2301	Intangible plant.
Franchises and consents	302		
Miscellaneous intangible plant	303		
2. Production Plant			*2. Production Plant*
A. Steam Production			*A. Steam Production*
Land and land rights	310	2310	Land and land rights.
Structures and improvements	311	2311	Structures and improvements.
Steam power equipment	312	2312	Steam production plant equipment.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
ELECTRIC PLANT ACCOUNTS—Con.			ELECTRIC PLANT ACCOUNTS—Con.
2. Production Plant—Continued			*2. Production Plant*—Continued
B. Hydraulic Production			*B. Hydraulic Production*
Land and land rights	2320	330	Land and land rights.
Structures and improvements	2321	331	Structures and improvements.
Reservoirs, dams, and waterways	2322	332	Reservoirs, dams, and waterways.
Hydraulic production plant equipment	2323	333	Hydraulic power equipment.
Roads, railroads, and bridges	2326	331	Structures and improvements.
C. Internal Combustion Engine Production			*C. Other Production*
Land and land rights	2330	340	Land and land rights.
Structures and improvements	2331	341	Structures and improvements.
Internal combustion production plant equipment	2332	342	Other power equipment.
3. Transmission Plant			*3. Transmission and Distribution Plant*
Land and land rights	2340	350	Land and land rights.
Clearing land and rights of way	2341		Deleted.
Structures and improvements	2342	351	Structures and improvements.
Station equipment	2343	352	Station equipment.
Overhead lines	2344	353	Overhead lines.
Underground lines	2347	356	Underground lines.
Roads and trails	2349	351	Structures and improvements.
4. Distribution Plant			
Land and land rights	2350	350	Land and land rights.
Structures and improvements	2351	351	Structures and improvements.
Station and storage battery equipment	2352	352	Station equipment.
Overhead lines	2354	353	Overhead lines.
Underground lines	2356	356	Underground lines.
Line transformers	2358	358	Line transformers.
Services	2359	353	Overhead lines.
Meters	2360	360	Meters.
Installations on customers' premises	2361	361	Installations on customers' premises.
Leased property on customers' premises	2362	362	Leased property on customers' premises.
Street lighting and signal systems	2363	363	Street lighting and signal systems.
5. General Plant			*4. General Plant*
Land and land rights	2370	370	Land and land rights.
Structures and improvements	2371	371	Structures and improvements.
Office furniture and equipment	2372	372	Office furniture and equipment.
General plant equipment	2373	372	Transportation equipment.
		370	Other general equipment.
			5. Other Electric Plant
Other tangible property	2390	390	Other tangible property.
Electric plant purchased	2391	391	Electric plant purchased or sold.
Electric plant sold	2392		

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
ELECTRIC PLANT ACCOUNTS—Con.			ELECTRIC PLANT ACCOUNTS—Con.
2. Production Plant—Continued			*2. Production Plant*—Continued
B. Hydraulic Production			*B. Hydraulic Production*
Land and land rights	330	2320	Land and land rights.
Structures and improvements	331	2321	Structures and improvements.
		2326	Roads, railroads, and bridges.
Reservoirs, dams, and waterways	332	2322	Reservoirs, dams, and waterways.
Hydraulic power equipment	333	2323	Hydraulic production plant equipment.
C. Other Production			*C. Internal Combustion Engine Production*
Land and land rights	340	2330	Land and land rights.
Structures and improvements	341	2331	Structures and improvements.
Other power equipment	342	2332	Internal combustion production plant equipment.
3. Transmission and Distribution Plant			*3-4. Transmission and Distribution Plant*
Land and land rights	350	2340	Land and land rights.
		2350	Land and land rights.
Structures and improvements	351	2342	Structures and improvements.
		2349	Roads and trails.
Station equipment	352	2351	Structures and improvements.
		2343	Station equipment.
		2352	Station and storage battery equipment.
Overhead lines	353	2344	Overhead lines.
		2354	Overhead lanes.
Underground lines	356	2359	Services.
		2347	Underground lines.
		2356	Underground lanes.
Line transformers	358	2358	Line transformers.
Meters	360	2360	Meters.
Installations on customers' premises	361	2361	Installations on customers' premises.
Leased property on customers' premises	362	2362	Leased property on customers' premises.
Street lighting and signal systems	363	2363	Street lighting and signal systems.
4. General Plant			*5. General Plant*
Land and land rights	370	2370	Land and land rights.
Structures and improvements	371	2371	Structures and improvements.
Office furniture and equipment	372	2372	Office furniture and equipment.
Transportation equipment	373	2373	General plant equipment.
Other general equipment	370		
5. Other Electric Plant			
Other tangible property	390	2390	Other tangible property.
Electric plant purchased or sold	391	2391	Electric plant purchased.
		2392	Electric plant sold.
Electric plant in process of reclassification	392	2100.6	Electric plant in process of reclassification.
Electric plant leased to others	393	2100.1	Electric plant in service, leased to others, and held for future use.
Electric plant held for future use	394		
Construction work in progress—electric	395	2100.3	Construction work in progress.
Electric plant acquisition adjustments	396	2100.5	Electric plant acquisition adjustments.
		2252	Reserve for electric plant acquisition adjustments.
Other electric plant adjustments	397	2107	Electric plant adjustments.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
EARNED SURPLUS ACCOUNTS			EARNED SURPLUS
Credits:			Credits:
Earned surplus (at beginning of period)	2271	216	Unappropriated earned surplus (at beginning of period).
Credit balance transferred from income account	2400	433	Balance transferred from income.
Miscellaneous credits to surplus	2401	434	Miscellaneous credits to surplus.
Debits:			Debits:
Debit balance transferred from income account	2410	433	Balance transferred from income.
Dividend appropriations—preferred stock	2411	437	Dividends declared—preferred stock.
Dividend appropriations—common stock	2412	438	Dividends declared—common stock.
Miscellaneous reservations of surplus	2413	436	Appropriations of surplus.
Miscellaneous debits to surplus	2414	435	Miscellaneous debits to surplus.
Earned surplus (at end of period)	2271	216	Unappropriated earned surplus (at end of period).
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Operating Income			*1. Utility Operating Income*
Electric operating income:			
Operating revenues	2501	400	Operating revenues.
Operating revenue deductions:			Operating expenses:
Operating expenses	2502	401	Operation and maintenance expense.
Depreciation	2503	403	Depreciation expense.
Amortization of limited-term electric investments.	2504	404	Amortization expense.
Amortization of electric plant acquisition adjustments.	2505		
Property losses chargeable to operations	2506		
Taxes	2507	408	Taxes other than income taxes.
		409	Income taxes.
Income from electric plant leased to others:	2508	412–413	Income from electric plant leased to others:
Revenues from plant leased to others	2508.1	412	Revenues from electric plant leased to others.
Expenses of plant leased to others	2508.2	413	Expenses of electric plant leased to others.
Other utility operating income	2509	414	Other utility operating income.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing, and contract work.	2520	415–416	Income from merchandising, jobbing, and contract work.
Revenues from merchandising, jobbing, and contract work.	2520.1	415	Revenues from merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	2520.2	416	Costs and expenses of merchandising, jobbing, and contract work.
Income from non-utility operations	2521	421	Miscellaneous nonoperating income.
Revenues from lease of other physical property	2522	418	Nonoperating rental income.
Dividend revenues	2523	419	Interest and dividend income.
Interest revenues	2524		
Revenues from sinking and other funds	2525		
Miscellaneous non-operating revenues	2526	421	Miscellaneous nonoperating income.
Non-operating revenue deductions	2527	-------	Deleted.
3. Income Deductions			*3. Miscellaneous Income Deductions*
			4. Interest Charges
Interest on long-term debt	2530	427	Interest on long-term debt.
Amortization of debt discount and expense	2531	428	Amortization of debt discount and expense.
Amortization of premium on debt—credit	2532	429	Amortization of premium on debt—credit.
Taxes assumed on interest	2533	431	Other interest expense.
Interest on debt to associated companies	2534	430	Interest on debt to associated companies.
Other interest charges	2535	431	Other interest expense.
Interest charged to construction—credit	2536	432	Interest charged to construction—credit.
Miscellaneous amortization	2537	425	Miscellaneous amortization.
Miscellaneous income deductions	2538	426	Other income deductions.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
(In the system of accounts effective Jan. 1, 1961, the earned surplus accounts are included with the income accounts. See below.)			
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Operating Income			*1. Utility Operating Income*
Operating revenues	400	2501	Operating revenues.
Operating expenses:			Operating revenue deductions:
Operation and maintenance expense	401	2502	Operating expenses.
Depreciation expense	403	2503	Depreciation.
Amortization expense	404	2504	Amortization of limited-term electric investments.
		2505	Amortization of electric plant acquisition adjustments.
		2506	Property losses chargeable to operations.
Taxes other than income taxes	408	2507	Taxes.
Income taxes	409		
Income from electric plant leased to others	412–413	2508	Income from electric plant leased to others.
Revenues from electric plant leased to others	412	2508.1	Revenues from plant leased to others.
Expenses of electric plant leased to others	413	2508.2	Expenses of plant leased to others.
Other utility operating income	414	2509	Other utility operating income.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing and contract work.	415–416	2520	Income from merchandising, jobbing and contract work.
Revenues from merchandising, jobbing, and contract work.	415	2520.1	Revenues from merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	416	2520.2	Costs and expenses of merchandising, jobbing, and contract work.
Nonoperating rental income	418	2522	Revenues from lease of other physical property.
Interest and dividend income	419	2523	Dividend revenues.
		2524	Interest revenues.
		2525	Revenues from sinking and other funds.
Miscellaneous nonoperating income	421	2521	Income from non-utility operations.
		2526	Miscellaneous non-operating revenues.
3. Miscellaneous Income Deductions			*3. Income Deductions*
Miscellaneous amortization	425	2537	Miscellaneous amortization.
Other income deductions	426	2538	Miscellaneous income deductions.
4. Interest Charges			
Interest on long-term debt	427	2530	Interest on long-term debt.
Amortization of debt discount and expense	428	2531	Amortization of debt discount and expense.
Amortization of premium on debt—credit	429	2532	Amortization of premium on debt—credit.
Interest on debt to associated companies	430	2534	Interest on debt to associated companies.
Other interest expense	431	2533	Taxes assumed on interest.
		2535	Other interest charges.
Interest charged to construction—credit	432	2536	Interest charged to construction—credit.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
INCOME ACCOUNTS—Con.			INCOME ACCOUNTS—Con.
4. Disposition of Net Income			
Miscellaneous reservations of net income	2540	-------	Deleted.
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Sales of Electric Energy			*1. Sales of Electricity*
Residential or domestic sales	2600	440	Residential sales.
Rural sales	2601	440	Residential sales.
		442	Commercial and industrial sales.
Commercial and industrial sales	2602	442	Commercial and industrial sales.
Public street and highway lighting	2603	444	Public street and highway lighting.
Other sales to public authorities	2604	449	Other sales.
Sales to other electric utilities	2605	447	Sales for resale.
Sales to railroads and railways	2606	449	Other sales.
Interdepartmental sales	2607	448	Interdepartmental sales.
Other sales	2608	449	Other sales.
2. Other Electric Revenues			*2. Other Operating Revenues*
Rent from electric property	2610	456	Other electric revenues.
Interdepartmental rents	2611		
Customers' forfeited discounts and penalties	2612	450	Forfeited discounts.
Sales of water and water power	2613	456	Other electric revenues.
Servicing of customers' installations	2614		
Miscellaneous electric revenues	2615		
OPERATING EXPENSE ACCOUNTS			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS
1. Production Expenses			*1. Production Expenses*
A. Electric Generation—Steam Power			*A. Steam Power Generation*
Operation:			
Operation supervision and labor	2701	500	Supervision and labor.
Fuel	2703	501	Fuel.
Water	2704	502	Supplies and expenses.
Supplies and expenses	2705		
Maintenance:			
Maintenance of steam production plant	2706	500	Supervision and labor.
		506	Repairs of steam production plant.
Miscellaneous:			
Rent	2710	502	Supplies and expenses.
Steam from other sources	2711	503	Steam from other sources.
Steam transferred—credit	2712	504	Steam transferred—credit.
Joint expenses—debit	2713	-------	Deleted.
Joint expenses—credit	2714	-------	Deleted.
B. Electric Generation—Hydraulic Power			*B. Hydraulic Power Generation*
Operation:			
Operation supervision and labor	2715	520	Supervision and labor.
Water for power	2717	521	Water for power.
Supplies and expenses	2718	522	Supplies and expenses.
Maintenance:			
Maintenance of hydraulic production plant	2719	520	Supervision and labor.
		524	Repairs of hydraulic production plant.
Miscellaneous:			
Rents	2724	522	Supplies and expenses.
Joint expenses—debit	2725	-------	Deleted.
Joint expenses—credit	2726	-------	Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
INCOME ACCOUNTS—Con.			INCOME ACCOUNTS—Con.
5. Earned Surplus			*Earned Surplus Accounts*
Unappropriated earned surplus (at beginning of period)	216	2271	Earned surplus (at beginning of period).
Balance transferred from income	433	2400	Credit balance transferred from income account.
		2410	Debit balance transferred from income account.
Miscellaneous credits to surplus	434	2401	Miscellaneous credits to surplus.
Miscellaneous debits to surplus	435	2414	Miscellaneous debits to surplus.
Appropriations of surplus	436	2413	Miscellaneous reservations of surplus.
Dividends declared—preferred stock	437	2411	Dividend appropriations—preferred stock.
Dividends declared—common stock	438	2412	Dividend appropriations—common stock.
Unappropriated earned surplus (at end of period)	216	2271	Earned surplus (at end of period).
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Sales of Electricity			*1. Sales of Electric Energy*
Residential sales	440	2600	Residential or domestic sales.
		2601	Rural sales.
Commercial and industrial sales	442	2601	Rural sales.
		2602	Commercial and industrial sales.
Public street and highway lighting	444	2603	Public street and highway lighting.
Sales for resale	447	2605	Sales to other electric utilities.
Interdepartmental sales	448	2607	Interdepartmental sales.
Other sales	449	2604	Other sales to public authorities.
		2606	Sales to railroads and railways.
		2608	Other sales.
2. Other Operating Revenues			*2. Other Electric Revenues*
Forfeited discounts	450	2612	Customers' forfeited discounts and penalties.
Other electric revenues	456	2610	Rent from electric property.
		2611	Interdepartmental rents.
		2613	Sales of water and water power.
		2614	Servicing of customers' installations.
		2615	Miscellaneous electric revenues.
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS			OPERATING EXPENSE ACCOUNTS
1. Production Expenses			*1. Production Expenses*
A. Steam Power Generation			*A. Electric Generation—Steam Power*
Supervision and labor	500	2701	Operation supervision and labor.
		2706	Maintenance of steam production plant.
Fuel	501	2703	Fuel.
Supplies and expenses	502	2704	Water.
		2705	Supplies and expenses.
		2710	Rent.
Steam from other sources	503	2711	Steam from other sources.
Steam transferred—credit	504	2712	Steam transferred—credit.
Repairs of steam production plant	506	2706	Maintenance of steam production plant.
B. Hydraulic Power Generation			*B. Electric Generation—Hydraulic Power*
Supervision and labor	520	2715	Operation supervision and labor.
		2719	Maintenance of hydraulic production plant.
Water for power	521	2717	Water for power.
Supplies and expenses	522	2718	Supplies and expenses.
		2724	Rent.
Repairs of hydraulic production plant	524	2719	Maintenance of hydraulic production plant.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
1. Production Expenses—Con.			*1. Production Expenses*—Con.
C. Electric Generation—Internal Combustion Engine Power			*C. Other Power Generation*
Operation:			
Operation supervision and labor	2727	530	Supervision and labor.
Engine fuel	2729	531	Fuel.
Supplies and expenses	2730	532	Supplies and expenses.
Maintenance:			
Maintenance of internal combustion production plant.	2731	530	Supervision and labor.
		534	Repairs of other power production plant.
Miscellaneous:			
Rents	2735	532	Supplies and expenses.
Joint expenses—debit	2736	-------	Deleted.
Joint expenses—credit	2737	-------	Deleted.
D. Other Production Expenses and Credits			*D. Other Power Supply Expenses*
Purchased power	2738	540	Purchased power.
Interchange power	2739		
Other expenses	2740	549	Other expenses.
Joint expenses—debit	2741	-------	Deleted.
Joint expenses—credit	2742	-------	Deleted.
2. Transmission Expenses			*2. Transmission and Distribution Expenses*
System operation	2744	550	Supervision and labor.
		552	Supplies and expenses.
System maintenance	2748	555	Transportation expenses.
Rents	2753	552	Supplies and expenses.
Joint expenses—debit	2754	-------	Deleted.
Joint expenses—credit	2755	-------	Deleted.
3. Distribution Expenses			
System operation	2757	550	Supervision and labor.
Operation of street lighting and signal systems	2763	552	Supplies and expenses.
System maintenance	2765	555	Transportation expenses.
Maintenance of street lighting and signal systems.	2775		
Rents	2776	552	Supplies and expenses.
Joint expenses—debit	2777	-------	Deleted.
Joint expenses—credit	2778	-------	Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
1. Production Expenses—Con.			*1. Production Expenses*—Con.
C. Other Power Generation			*C. Electric Generation—Internal Combustion Engine Power*
Supervision and labor	530	2727	Operation supervision and labor.
		2731	Maintenance of internal combustion production plant.
Fuel	531	2729	Engine fuel.
Supplies and expenses	532	2730	Supplies and expenses.
		2735	Rents.
Repairs of other power production plant	534	2731	Maintenance of internal combustion production plant.
D. Other Power Supply Expenses			*D. Other Production Expenses and Credits*
Purchased power	540	2738	Purchased power.
		2739	Interchange power.
Other expenses	549	2740	Other expenses.
2. Transmission and Distribution Expenses			*2-3. Transmission and Distribution Expenses*
		2744	System operation.
		2748	System maintenance.
		2753	Rents.
		2757	System operation.
Supervision and labor	550	2763	Operation of street lighting and signal system.
Supplies and expenses	552	2765	System maintenance.
Transportation expenses	555	2775	Maintenance of street lighting and signal systems.
		2776	Rents.
		2811	Transportation expenses.
		2903	Transportation expenses—clearing.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
4. Customers' Accounting and Collecting Expenses			*3. General Expenses*
Meter reading, accounting, and collecting	2780	580 581	Administrative and general salaries. Office supplies and expenses.
Uncollectible accounts	2783	590	Uncollectible accounts.
Rents	2784	589	Miscellaneous general expenses.
5. Sales Promotion Expenses			
Sales expenses	2786	580 581	Administrative and general salaries. Office supplies and expenses.
Rents	2788	589	Miscellaneous general expenses.
Merchandising, jobbing, and contract work	2789	592 593	Revenues from merchandising, jobbing, and contract work. Costs and expenses of merchandising, jobbing, and contract work.
6. Administrative and General Expenses			
General office salaries	2790	580	Administrative and general salaries.
General expenses	2793	581 582 584 586 589	Office supplies and expenses. Outside services employed. Insurance. Employees pensions and benefits. Miscellaneous general expenses.
Regulatory commission expenses	2797	588	Regulatory commission expenses.
Maintenance of general property	2802	581 589	Office supplies and expenses. Miscellaneous general expenses.
General rents	2803	581 589	Office supplies and expenses. Miscellaneous general expenses.
Franchise requirements	2805	589	Miscellaneous general expenses.
Duplicate miscellaneous charges—credit	2806	------	Deleted.
Administrative and general expenses transferred—credit.	2807	580 581	Administrative and general salaries. Office supplies and expenses.
Joint expenses—debit	2808	------	Deleted.
Joint expenses—credit	2809	------	Deleted.
Stores expenses	2810	------	Deleted. See account 183.
Transportation expenses	2811	555 581	Transportation expenses. Office supplies and expenses.
CLEARING ACCOUNTS			
Charges by associated companies—clearing	2901	------	Deleted. See account 183.
Stores expenses—clearing	2902	------	Deleted.
Transportation expenses—clearing	2903	555	Transportation expenses. (May be used as a clearing account).

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
3. General Expenses			*4. Customers' Accounting Expenses*
			5. Sales Promotion Expenses
			6. Administrative and General Expenses
		2780	Meter reading, accounting, and collecting.
		2786	Sales expenses.
Administrative and general salaries	580	2790	General office salaries.
		2807	Administrative and general expenses transferred—credit.
		2780	Meter reading, accounting, and collecting.
		2781	Sales expenses.
		2790	Office supplies and expenses.
Office supplies and expenses	581	2802	Maintenance of general property.
		2803	General rents.
		2807	Administrative and general expenses transferred—credit.
		2811	Transportation expenses.
Outside services employed	582		
Insurance	584	2793	General expenses.
Employees pensions and benefits	586		
Regulatory commission expenses	588	2797	Regulatory commission expenses.
		2784	Rents.
		2788	Rents.
		2793	General expenses.
Miscellaneous general expenses	589	2802	Maintenance of general property.
		2803	General rents.
		2805	Franchise requirements.
Uncollectible accounts	590	2783	Uncollectible accounts.
Revenues from merchandising, jobbing, and contract work.	592		
Costs and expenses of merchandising, jobbing, and contract work.	593	2789	Merchandising, jobbing, and contract work.

APPENDIX B—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FEDERAL POWER ACT (CLASS D)

Definitions

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

3. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization or for other purposes.

4. "Commission" means the Federal Power Commission.

5. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.

6. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.

7. "Depreciation," as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

8. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

9. "Licensee" means any person, or State, licensed under the provisions of the Federal Power Act and subject to the Commission's accounting requirements under the terms of the license.

10. "Minor items of property" means the associated parts or items of which retirement units are composed.

11. "Net salvage value" means the salvage value of property retired less the cost of removal.

12. "Original cost," as applied to electric plant, means the cost of such property to the person first devoting it to public service.

13. "Nonproject property" means the electric plant of a licensee which is not a part of the project property subject to a license issued by the Commission.

14. "Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights of way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

15. "Project property" means the property described in and subject to a license issued by the Commission.

16. "Property retired," as applied to electric plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.

17. "Public utility" means any person who owns or operates facilities subject to the jurisdiction of the Commission under the Federal Power Act. (See section 201(e) of said act.)

18. "Replacing" or "replacement," when not otherwise indicated in the context, means the construction or installation of electric plant in place of property retired, together with the removal of the property retired.

19. "Retirement units" means those items of electric plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the electric plant account in which included.

20. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

21. "Service life" means the time between the date electric plant is includible in electric plant in service, or electric plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

22. "Service value" means the difference between original cost and net salvage value of electric plant.

23. "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

24. "Utility," as used herein and when not otherwise indicated in the context, means any public utility or licensee to which this system of accounts is applicable.

General Instructions

1. *Classification of Utilities.*

A. For the purpose of applying systems of accounts prescribed by the Commission, electric utilities and licensees are divided into four classes as follows:

Class A. Utilities having annual electric operating revenues of $2,500,000 or more.

Class B. Utilities having annual electric operating revenues of $1,000,000 or more but less than $2,500,000.

Class C. Utilities having annual electric operating revenues of $150,000 or more but less than $1,000,000.

Class D. Utilities having annual electric operating revenues of $25,000 or more but less than $150,000.

B. This system of accounts applies to Class D utilities. Those applicable to Classes A and B and to Class C utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual electric operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual electric operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual electric operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. *Records.*

A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all facts relevant thereto.

B. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept provided the integrity of the prescribed accounts is not impaired.

C. Each utility shall keep its books on either a monthly or quarterly basis. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

3. *Item Lists.*

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts. In cases of doubtful interpretation, the matter shall be submitted to the Commission for decision.

4. *Distribution of Pay and Expenses of Employees.*

The charges to electric plant, operating expenses and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

5. *Functions and Accounts not Included.*

If the utility contemplates or is following accounting for deferred taxes on income (and is permitted by the Commission to practice such accounting) it shall use the accounts for deferred taxes on income prescribed for Classes A and B or Class C electric utilities and licensees and comply with the related instructions and account texts of such Class A and B or Class C Uniform System of Accounts as though such accounts and instructions were a part of this system of accounts.

6. *Separate Accounts or Records for Each Licensed Project.*

The accounts or records of each licensee shall be so kept as to show for each project under license:

(a) the actual legitimate original cost of the project, including the original cost (or fair value as determined under section 23 of the Federal Power Act) of the original project, the original cost of additions thereto and betterments thereof, credits for property retired from service, and credits for related contributions in aid of construction, as determined under the Commission's regulations;

(b) the charges for operation and maintenance of the project property directly assignable to the project;

(c) the credits and debits to the depreciation reserve account, and the balance in such account;

(d) the credits and debits to operating revenue, income, and surplus accounts that can be identified with and directly assigned to the project.

NOTE: The purpose of this instruction is to insure that accounts or records are currently maintained by each licensee from which reports may be made to the Commission for use in determining the net investment in each licensed project. The instruction covers only the debit and credit items appearing in the licensee's accounts which may be identified with and assigned directly to any licensed project. In the determination of the net investment as defined in section 3 of the Federal Power Act, allocations of items affecting the net investment may be required where direct assignment is not practicable.

Electric Plant Instructions

1. *Electric Plant To Be Recorded at Cost.*

A. All amounts included in the accounts for electric plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other electric plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis (see, however, Definition 5). In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant accounts for interest, insurance or other expenditures occasioned solely by such form of payment.

D. Electric plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the electric plant accounts at cost of construction estimated if not known. There shall be credited to the accounts for accumulated depreciation and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the electric plant accounts and the accumulated depreciation and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. *Components of Construction Cost.*

The cost of construction of property chargeable to the electric plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. *Land and Land Rights.*

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights of way, and other like interest in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

D. When the purchase of land for utility operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 394, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

4. *Structures and Improvements.*

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus or equipment.

C. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

D. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

5. *Equipment.*

A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value or short life, unless the correctness of the accounting therefor as utility plant is verified by

current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings, or floors, or without in some way impairing the building, shall be included in the building accounts.

6. *Electric Plant Retired.*

A. When depreciable electric plant is abandoned, destroyed, withdrawn or otherwise retired from service for any cause, the book cost of the plant shall be deducted from the electric plant accounts and charged to accumulated provision for depreciation. The cost of removing such plant (except customer meters and line transformers) shall be charged to accumulated provision for depreciation and the amount received for any materials recovered and sold, or salvage value if returned to stores, shall be credited to the accumulated provision for depreciation. It is not intended that the above procedure shall be followed in the replacement of minor items of plant, the replacement of which is charged to operating expense accounts.

B. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 394, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

C. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and, if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any difference in size and character, shall be used as the book cost of the units retired.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

100 Electric plant.
110 Accumulated provision for depreciation and amortization of electric plant.
118 Other utility plant.
119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.
122 Accumulated provision for depreciation and amortization of nonutility property.
124 Other investments.
125 Special funds.

3. CURRENT AND ACCRUED ASSETS

131 Cash and working funds.
132 Temporary cash investments.
141 Notes receivable.
142 Customer accounts receivable.
143 Other accounts receivable.
144 Accumulated provision for uncollectible accounts—Cr.
150 Materials and supplies.
165 Prepayments.
170 Other current and accrued assets.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.
182 Extraordinary property losses.
183 Other deferred debits.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

201 Common capital stock.
204 Preferred capital stock.
207 Other paid-in capital.
212 Installments received on capital stock.
213 Discount on capital stock.
214 Capital stock expense.
215 Appropriated earned surplus.
216 Unappropriated earned surplus.
217 Reacquired capital stock.
218 Non-corporate proprietorship.

6. LONG-TERM DEBT

221 Bonds.
223 Advances from associated companies.
224 Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.
232 Accounts payable.
235 Customer deposits.
236 Taxes accrued.
237 Interest accrued.
238 Other current and accrued liabilities.

8. DEFERRED CREDITS

251 Unamortized premium on debt.
252 Customer advances for construction.
253 Other deferred credits.

9. OPERATING RESERVES

261 Property insurance reserve.
264 Amortization reserve—Federal.
265 Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

Balance Sheet Accounts

1. UTILITY PLANT

100 Electric plant.

A. This account shall include the book amount of electric plant, included in the plant accounts 301 to 397, inclusive, prescribed herein, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property.

110 Accumulated provision for depreciation and amortization of electric plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 404, Amortization Expense, to account 413, Expenses of Electric Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation or amortization of plant.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation or amortization.

(3) Amounts of depreciation applicable to electric properties acquired as operating units or systems.

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to electric plant donated to the utility.

B. At the time of retirement of electric plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance.

C. The credits and debits to this account shall be so kept as to show separately: (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

D. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

118 Other utility plant.

This account shall include the balances in accounts for utility plant, other than electric plant, such as gas, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than electric plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 394, Electric Plant Held for Future Use.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to property other than utility plant.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest-bearing investments. (See account 419, Interest and Dividend Income.)

B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

125 Special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions, and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE A: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

NOTE B: Licensees under the Federal Power Act which are required to establish an amortization fund under terms of the license shall provide a special subdivision of this account for the purpose of accounting for and identifying the cash, investments or other specific assets associated with account 264, Amortization Reserve—Federal.

3. CURRENT AND ACCRUED ASSETS

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

NOTE: Special deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue.

NOTE: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds.

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 590, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the writeoffs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers.
Merchandising, Jobbing and Contract Work.
Officers and Employees.
Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable are necessary, separate subaccounts therefor shall be established under account 141, Notes Receivable.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except line transformers and meters). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative-average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc. shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customers duties and excise taxes.
4. Cost of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plan. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense account.

(2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein related to a future period.

(3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(4) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and, if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-In Capital: *Provided, however,* That the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.
2. Donations received from stockholders consisting of capital stock or reduction of debt of the utility, and the cash value of other assets received as a donation.
3. Reduction in par or stated value of capital stock.
4. Gain on resale or cancellation of reacquired capital stock.
5. Miscellaneous paid-in capital.

NOTE: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital: *Provided, however,* That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, to the extent of gains on resale or cancel-

lation of reacquired stock includible therein: *Provided, however,* That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance carried in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-In Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-In Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

218 Noncorporate proprietorship.

This account shall include the investment in an unincorporated utility by the proprietor thereof, and shall be charged with all withdrawals from the business by its proprietor. At the end of each calendar year the net income for the year, as developed in the income account, shall be transferred to this account. (See optional accounting procedure provided in Note C, hereunder.)

NOTE A: Amounts payable to the proprietor as just and reasonable compensation for services performed shall not be charged to this account but to appropriate operating expense or other accounts.

NOTE B: When the utility is owned by a partnership, a separate account shall be kept to show the net equity of each member therein and the transactions affecting the interest of each such partner.

NOTE C: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor or the withdrawal of portions thereof not representing net income. When this option is taken, the earned surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show: (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also, the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it and not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedures set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue.

232 Accounts payable.

This account shall incude all amounts payable by the utility within one year, which are not provided for in other accounts.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility, not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities

not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

1. Dividends declared but not paid.
2. Matured long-term debt.
3. Matured interest.
4. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt—Cr.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

264 Amortization reserve—Federal.

A. This account shall be credited with such amounts as are appropriated or set aside by a licensee from earnings for amortization purposes in accordance with the requirements of a license; also the interest derived from the "Amortization Fund—Federal," or income from investments belonging to such fund.

B. This account shall be debited with only such items or amounts as the Commission may require or approve. (See account 125, Amortization Fund—Federal.)

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) States, (b) municipalities, (c) customers and (d) others, and the amount applicable to each utility department.

D. This account shall be subdivided as follows:

Contributions in Aid of Construction—General.
Contributions in Aid of Construction—Federal.

Contributions in Aid of Construction—General shall include all the donations to the various utility departments except those which are made in respect to a licensed project. Contributions in Aid of Construction—Federal shall be kept only by licensees. There shall be included therein donations from States, municipalities, individuals or others which have been expended for plant, or which are included in the plant accounts, of a licensed project, referred to in section 3, subsection (13) of the Federal Power Act, 49 Stat. 839; 16 U.S.C. 796(13). This treatment shall not affect the determination of actual legitimate original cost or net investment in accordance with the Act.

NOTE: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

Electric Plant Accounts

1. INTANGIBLE PLANT

301 Organization.
302 Franchises and consents.
303 Miscellaneous intangible plant.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.
311 Structures and improvements.
312 Steam power equipment.

B. HYDRAULIC PRODUCTION

330 Land and land rights.
331 Structures and improvements.
332 Reservoirs, dams, and waterways.
333 Hydraulic power equipment.

C. OTHER PRODUCTION

340 Land and land rights.
341 Structures and improvements.
342 Other power equipment.

3. TRANSMISSION AND DISTRIBUTION PLANT

350 Land and land rights.
351 Structures and improvements.
352 Station equipment.
353 Overhead lines.
356 Underground lines.
358 Line transformers.
360 Meters.
361 Installations on customers' premises.
362 Leased property on customers' premises.
363 Street lighting and signal systems.

4. GENERAL PLANT

370 Land and land rights.
371 Structures and improvements.
372 Office furniture and equipment.
373 Transportation equipment.
379 Other general equipment.

5. OTHER ELECTRIC PLANT

390 Other tangible property.
391 Electric plant purchased or sold.
392 Electric plant in process of reclassification.
393 Electric plant leased to others.
394 Electric plant held for future use.
395 Construction work in progress—Electric.
396 Electric plant acquisition adjustments.
397 Other electric plant adjustments.

Electric Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

This account shall include the cost of organizing and incorporating the utility and putting it into readiness to do business. This includes the cost of legal services, amounts paid for privileges of incorporation, office expenses, incident to organizing the company and stock and minute books and corporate seal.

NOTE: This account shall not include any discounts upon securities issued or assumed, nor shall it include any costs incident to negotiating loans, selling bonds, or other evidences of debt, or expenses in connection with the authorization, issuance or sale of capital stock.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, water power license, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such

grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

D. Records supporting this account shall be maintained so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 3.)

311 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 4.)

NOTE: Include steam production roads and railroads in this account.

312 Steam power equipment.

This account shall include the cost installed of equipment in steam production plants used in generating electricity, such as:

(1) Furnaces, boilers, coil and ash-handling equipment, steam and feed water piping, water supply and purification systems, boiler apparatus and accessories.

(2) Steam engines, reciprocating or rotary, and their associated auxiliaries; generators, engine driven and turbine driven.

(3) Accessory and other equipment in steam plants.

NOTE: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

B. HYDRAULIC PRODUCTION

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 3.)

331 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 4.)

332 Reservoirs, dams and waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation and delivery of water used primarily for generating electricity. This includes reservoirs, dams and waterways with all construction appurtenant thereto, such as spillways, flash boards, gates, canals, tunnels, gate houses, fish ladders, intakes, flumes, penstocks, forbays, tailraces, and all other construction identified therewith.

333 Hydraulic power equipment.

This account shall include the cost installed of equipment in hydraulic power plants used in generating electricity, such as:

(1) Water wheels and hydraulic turbines and generators driven thereby and their accessories.

(2) Accessory and other equipment in hydraulic power plants.

C. OTHER PRODUCTION

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 3.)

341 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 4.)

342 Other power equipment.

This account shall include the cost installed of equipment in internal combustion engine and other power production plants used in generating electricity, such as:

(1) Fuel handling and storage equipment, and gas producers and accessories devoted to the production of gas for use in internal combustion engines driving electric generators.

(2) Diesel engines or other prime movers with their auxiliaries.

(3) Generators and their accessories.

(4) Accessory and other equipment in other power production plants.

3. TRANSMISSION AND DISTRIBUTION PLANT

350 Land and land rights.

This account shall include the cost of land and land rights used in connection with transmission and distribution operations. (See electric plant instruction 3.)

351 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission and distribution operations. (See electric plant instruction 4.)

352 Station equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment, including transformer banks, etc., used for the purpose of changing the characteristics of electricity in connection with its transmission or distribution, and equipment for controlling the electric circuits.

NOTE: The cost of rectifiers, series transformers and other special station equipment devoted exclusively to street lighting or signal system service shall not be included in this account, but in account 363, Street Lighting and Signal Systems.

353 Overhead lines.

A. This account shall include the cost installed of overhead transmission and distribution lines, including:

(1) Poles, towers, and appurtenant fixtures, such as anchors, guys, crossarms, brackets, guards, pins, pole steps, transformer racks, and platforms, pole plates, etc.

(2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters and ground wires, switches and other line devices, except transformers.

(3) Services, i.e., conductors leading from last pole to the connection with customer's service outlet and wiring.

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

NOTE: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 363, Street Lighting and Signal Systems.

356 Underground lines.

A. This account shall include the cost installed of underground transmission and distribution lines, including:

(1) Conduit, including foundations, manholes, lighting systems, sewer connections, ventilating equipment, etc.

(2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters, switches, and other line devices, except transformers.

(3) Service, i.e., conductors, leading from distribution box or manhole to the connection with customer's service outlet or wiring.

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

NOTE: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 363, Street Lighting and Signal Systems.

358 Line transformers.

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer,

and the cost of transformers held in reserves. The installation cost includible herein is the first installation only.

B. When a transformer is permanently retired from service, the installed cost thereof shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various types and capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

1. Installation, labor of (first installation only).
2. Network protectors, installed.
3. Transformers, line and network.
4. Transformer cut-out boxes, installed.
5. Transformer lightning arrester, installed.
6. Voltage regulators.
7. Capacitors.

NOTE A: The cost of removing and resetting line transformers shall not be charged to this account but to account 550, Supervision and Labor.

NOTE B: The cost of line transformers used solely for street lighting or signal systems shall be included in account 363, Street Lighting and Signal Systems.

360 Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, and the cost of meters held in reserve. The installation cost includible herein is the first installation only.

B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account.

C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various types and capacities in service and in reserve as well as the location of each meter owned.

ITEMS

1. Meters.
2. Current limiting devices.
3. Demand indicators.
4. Instrument transformers.
5. Meter badges and their attachments, installed.
6. Testing new meters.
7. Installation, labor of (first installation only).
8. Meter boards and boxes, installed.
9. Meter fittings and materials used in installation.
10. Meter switches and cut-outs, installed.
11. Protective devices, installed.

NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only meters for use to record energy delivered to customers.

NOTE B: The cost of removing and resetting meters shall be charged to account 550, Supervision and Labor.

361 Installations on customers' premises.

This account shall include the cost installed of equipment on the customers' side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include equipment leased to customers. (See account 362, Leased Property on Customers' Premises.)

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and setting specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high or low tension.
8. Wire and cable connections to incoming cables.

NOTE: Do not include in this account any costs incurred in connection with merchandising, jobbing or contract work activities.

362 Leased property on customers' premises.

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased to customers, but not including property held for sale.

NOTE A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expense account 550, Supervision and Labor.

NOTE B: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

363 Street lighting and signal systems.

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police and other signal systems.

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Conduit runs used solely for street lighting or signal systems, not including ducts in a bank, part of which is used or held for use for other purposes.
5. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
6. Municipal inspection.
7. Ornamental lamp posts.
8. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
9. Permits.
10. Poles and towers and appurtenant attachments.
11. Posts and standards.
12. Protection of street openings.
13. Relays or time clocks.
14. Series contactors.
15. Switches.
16. Transformers, pole or underground.
17. Transformers, rectifiers, and other special station equipment devoted exclusively to street lighting and signal systems.

4. GENERAL PLANT

370 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See electric plant instruction 3.)

371 Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See electric plant instruction 4.)

372 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

ITEMS

1. Bookcases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment, such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

373 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

379 Other general equipment.

This account shall include the cost installed of the following equipment:

(1) Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure.

(2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure.

(3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.

(4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts.

(5) Other general equipment, apparatus, etc., used in the utility's electric operations, and which is not includible in any other account.

NOTE: General equipment of the nature indicated above whenever practicable shall be assigned to the electric plant accounts on a functional basis.

5. OTHER ELECTRIC PLANT

390 Other tangible property.

This account shall include the cost of tangible electric plant not provided for elsewhere.

391 Electric plant purchased or sold.

This account shall be charged with the cost of utility plant acquired as an operating unit or system by purchase, mer-

ger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts as the Commission shall approve or direct.

392 Electric plant in process of reclassification.

A. This account shall include temporarily the balance of electric plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the electric plant accounts herein prescribed (301–390), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified electric plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

393 Electric plant leased to others.

A. This account shall include the original cost of electric plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301–390) prescribed for electric plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

394 Electric plant held for future use.

A. This account shall include the original cost of property owned and held for future use in electric service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and property previously used by the utility in electric service pending its reuse in the future, under a definite plan, in electric service.

B. The property included in this account shall be classified according to the detailed accounts (301–390) prescribed for electric plant in service and the account shall be maintained in such detail as though the property were in service.

NOTE: Materials and supplies, meters and transformers held in reserve, and normal spare capacity of plant in service shall not be included in this account.

395 Construction work in progress—Electric.

This account shall include the total of the balances of work orders for electric plant in process of construction but not ready for service at the date of the balance sheet.

396 Electric plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation and amortization and contributions in aid of construction with respect to such property.

B. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

397 Other electric plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of electric plant to the extent that such difference is not properly includible in account 396, Electric Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of electric plant.

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.
Operating expenses:
401 Operation and maintenance expense.
403 Depreciation expense.
404 Amortization expense.
408 Taxes other than income taxes.
409 Income taxes.
Total operating expenses.
Operating income.
412–413 Income from electric plant leased to others.
414 Other utility operating income.
Total operating income.

2. OTHER INCOME

415–416 Income from merchandising, jobbing and contract work.
418 Nonoperating rental income.
419 Interest and dividend income.
421 Miscellaneous nonoperating income.
Total other income.
Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.
426 Other income deductions.
Total income deductions.
Income before interest charges.

4. INTEREST CHARGES

427 Interest on long-term debt.
428 Amortization of debt discount and expense.
429 Amortization of premium on debt—Cr.
430 Interest on debt to associated companies.
431 Other interest expense.
432 Interest charged to construction—Cr.
Total interest charges.
Net income.

5. EARNED SURPLUS

216 Unappropriated earned surplus (at beginning of period).
433 Balance transferred from income.
434 Miscellaneous credits to surplus.
435 Miscellaneous debits to surplus.
436 Appropriations of surplus.
Net addition to earned surplus.
437 Dividends declared—Preferred stock.
438 Dividends declared—Common stock.
216 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the electric operating revenue accounts provided herein and in similar accounts for other utility departments.

401 Operation and maintenance expense.

There shall be shown under this caption the total amount included in the electric operation and maintenance expense accounts provided herein and in similar accounts for other utility departments.

403 Depreciation expense.

This account shall include the amount of depreciation expense for all classes of depreciable electric plant in service except such depreciation expense as is chargeable to clearing accounts or to merchandising, jobbing and contract work activities.

404 Amortization expense.

This account shall include amortization charges applicable to amounts included in the electric plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. Include, also, when authorized by the Commission, amortization of extraordinary property losses. (See account 182, Extraordinary Property Losses.)

408 Taxes other than income taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to electric operations, except income taxes.

B. This account shall be charged with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kinds includible in this account shall be assigned directly to the utility department the

operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments, including taxes on net income derived therefrom, shall be charged to the account in which the income from the property or investments is included.

NOTE B: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

NOTE E: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

NOTE A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Income taxes on income from electric plant leased to others shall be charged to account 413, Expenses of Electric Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included.

NOTE E: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

412 Revenues from electric plant leased to others.

413 Expenses of electric plant leased to others.

A. These accounts shall include, respectively, revenues from electric property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 393, Electric Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expense shall be kept or supported so as to show separately the following:

Operation and Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

416 Costs and expenses of merchandising, jobbing and contract work.

These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

NOTE: The revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts if a state regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as other income; but the revenues and expenses shall be reported in accounts 592 and 593 if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 592 and 593 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

1. Cost of merchandise sold and materials used in jobbing work.
2. Labor and expenses incurred in merchandising and jobbing operations.

418 Nonoperating rental income.

This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking- or other special-fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

ITEMS

1. Donations for charitable, social or community welfare purposes.
2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
3. Penalties or fines for violation of statutes pertaining to regulation.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand, or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate nonoperating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate nonoperating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount and expense written off.
6. Loss on sale of property or investments.
7. Write off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both State and Federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—preferred stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

438 Dividends declared—common stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

440 Residential sales.
442 Commercial and industrial sales.
444 Public street and highway lighting.
447 Sales for resale.
448 Interdepartmental sales.
449 Other sales.

2. OTHER OPERATING REVENUES

450 Forfeited discounts.
456 Other electric revenues.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

440 Residential sales.

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

442 Commercial and industrial sales.

A. This account shall include the net billing for electricity supplied to customers for commercial and industrial purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE: When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to the principal use.

444 Public street and highway lighting.

A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

447 Sales for resale.

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

NOTE: Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448 Interdepartmental sales.

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

449 Other sales.

A. This account shall include revenues for electricity supplied which are not provided for elsewhere.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

2. OTHER OPERATING REVENUES

450 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay their electric bills on or before a specified date.

456 Other electric revenues.

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

ITEMS

1. Charges for maintenance of appliances, wiring, piping or other installations on customers' premises.
2. Commission on sale or distribution of electricity of others when sold under rates filed by such others.
3. Fees for changing, connecting or disconnecting service.
4. Minor or incidental management or supervision services charged to others.
5. Profit or loss on sale of material and supplies not ordinarily purchased for resale.
6. Rent from utility plant used in electric operations.
7. Interdepartmental rents.
8. Revenues from transmission of electricity for others.
9. Sales of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.
10. Sale of water and water power.

Operation and Maintenance Expense Accounts

1. PRODUCTION EXPENSES

A. STEAM POWER GENERATION

500 Supervision and labor.
501 Fuel.
502 Supplies and expenses.
503 Steam from other sources.
504 Steam transferred—Cr.
506 Repairs of steam production plant.

B. HYDRAULIC POWER GENERATION

520 Supervision and labor.
521 Water for power.
522 Supplies and expenses.
524 Repairs of hydraulic production plant.

C. OTHER POWER GENERATION

530 Supervision and labor.
531 Fuel.
532 Supplies and expenses.
534 Repairs of other power production plant.

D. OTHER POWER SUPPLY EXPENSES

540 Purchased power.
549 Other expenses.

2. TRANSMISSION AND DISTRIBUTION EXPENSES

550 Supervision and labor.
552 Supplies and expenses.
555 Transportation expenses.

3. GENERAL EXPENSES

580 Administrative and general salaries.
581 Office supplies and expenses.
582 Outside services employed.
584 Insurance expense.
586 Employees pensions and benefits.
588 Regulatory commission expenses.
589 Miscellaneous general expenses.
590 Uncollectible accounts.
592 Revenues from merchandising, jobbing, and contract work.
593 Costs and expenses of merchandising, jobbing, and contract work.

Operation and Maintenance Expense Accounts

1. PRODUCTION EXPENSES

A. STEAM POWER GENERATION

500 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of steam power generating stations.

ITEMS

1. Attending stokers.
2. Blowing flues.
3. Cleaning boilers.
4. Firing and operating furnaces.
5. Handling coal and ashes.
6. Janitor work.
7. Operating water pumps.
8. Operating machinery, switchboard, etc.
9. Repairing steam power plant.
10. Supervision of steam power operation and maintenance.
11. Testing steam meters.

501 Fuel.

This account shall include the cost delivered at stations of coal, oil, gas or other fuel used in the production of steam which is used in generating electricity. This includes the invoice cost of fuel plus freight, switching, hauling and all handling costs incurred in connection with the delivery of the fuel at the station or storage pile. It shall also include the net cost of, or amount realized from, the disposal of ashes.

502 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of steam power generating stations. It shall also include the cost of supplies used in pumping water for steam.

ITEMS

1. Boiler compounds.
2. Boiler inspection fees.
3. Fireroom tools.
4. Filter cleaning.
5. Log sheets and charts.
6. Lubricants for machinery.
7. Packing.
8. Pumping supplies.
9. Rents.
10. Tools.
11. Water for steam.
12. Water purchased for boilers, condensers and cooling engines.
13. Washers.
14. Wipers.

503 Steam from other sources.

This account shall include the cost of steam purchased or transferred from another department of the utility or from others under a joint facility operating arrangement for use in prime movers devoted to the production of electricity.

504 Steam transferred—Cr.

This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of determination of the cost of steam transferred shall be maintained.

506 Repairs of steam production plant.

This account shall include the amount of bills from others for repairs made to steam production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in plants and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of steam production plant.

B. HYDRAULIC POWER GENERATION

520 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of the hydraulic power generating stations.

ITEMS

1. Attending generators.
2. Cleaning reservoirs and dams.
3. Janitor work.
4. Operating intakes.
5. Operating machinery and switchboards.
6. Patrolling flumes.
7. Repairing hydraulic power plant.
8. Supervision of hydraulic production operations.

521 Water for power.

This account shall include the cost of water used for hydraulic power generation.

ITEMS

1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.

522 Supplies and expenses.

This account shall include the cost of supplies and expenses incurred in the

operation of hydraulic generating stations.

ITEMS

1. Log sheets and charts.
2. Lubricants for machinery.
3. Materials to protect dam and gates.
4. Packing.
5. Rents.
6. Tools (hand).
7. Washers.
8. Wipers.

524 Repairs of hydraulic production plant.

This account shall include the amount of bills from others for repairs made to hydraulic production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in repairing plant and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of hydraulic production plant.

C. OTHER POWER GENERATION

530 Supervision and labor.

This account shall include the cost of supervision and labor incurred in the operation and maintenance of other power generating stations.

ITEMS

1. Attending generators.
2. Fueling engines.
3. Janitor work.
4. Operating machinery and switchboards.
5. Protective service.
6. Supervision of internal combustion engine production.

531 Fuel.

This account shall include the cost delivered at the station of all fuel, such as gas, oil, kerosene, and gasoline used in internal combustion engines or other prime movers. This includes the invoice cost of fuel plus freight, switching, hauling and all handling costs incurred in connection with the delivery of the fuel at the station. It shall also include the net cost of, or amount realized from, disposal of residuals.

532 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of internal combustion engine power generating stations.

ITEMS

1. Log sheets and charts.
2. Lubricants.
3. Packing, washers, etc.
4. Rents.
5. Tools (hand).

534 Repairs of other power production plant.

This account shall include the amount of bills from others for repairs made to other power production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in repairing plant and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of other power production plants.

D. OTHER POWER SUPPLY EXPENSES

540 Purchased power.

A. This account shall include the cost at the point of delivery to the utility of electricity purchased for resale, including net settlements for exchange of electricity or power.

B. The records shall be so kept as to show, by months, the demands and demand charges and kilowatt-hours and prices thereof under each purchase or interchange agreement.

549 Other expenses.

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursements of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. TRANSMISSION AND DISTRIBUTION EXPENSES

550 Supervision and labor.

This account shall include the cost of supervision and labor in connection with the operation and maintenance of transmission and distribution plant. This includes the pay of employees engaged in the care and operation of transformers, conversion equipment, transmission and switching substations, transmission and distribution lines, structures, street lighting equipment and services on customers' premises.

ITEMS

1. Cutting and replacing pavement, pavement base and sidewalks, in connection with repairs.
2. Inspecting and testing lightning arresters.
3. Inspecting, testing, removing and resetting transformers or meters, but not including initial testing chargeable to utility plant.
4. Load dispatching.
5. Maintaining roads, trails and bridges.
6. Operating substations and switching stations.
7. Pulling up slack.
8. Patrolling, testing, etc.
9. Repairing customer installations and services.
10. Repainting towers and structures.
11. Repairing conductors and devices.
12. Repairing and maintaining transmission and distribution structures.
13. Repairing materials for reuse.
14. Rearranging and changing the location of property not retired.
15. Refusing transformer cut-outs.
16. Renewing oil, repainting and rewinding transformers.
17. Replacing minor items of plant.
18. Restoring the condition of property damaged by storm, flood, etc.
19. Straightening poles and crossarms.
20. Tightening guys and racking stubs.
21. Trimming trees, clearing brush, etc.
22. Testing for, locating and clearing trouble.
23. Tools and implements used.
24. Voltage surveys.

552 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation and maintenance of transmission and distribution plant.

ITEMS

1. Distilled water for storage batteries.
2. Gloves.
3. Lamps and globes.
4. Lubricants.
5. Maps and records.
6. Material used in repair and maintenance, such as brushes for boosters and compensators, brackets, wire, paint, insulators, etc.
7. Rents of transmission and distribution facilities.
8. Tools.

555 Transportation expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, utility plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

1. Depreciation of transportation equipment.
2. Insurance on transportation equipment.
3. License fees for vehicles and drivers.
4. Rents for equipment and garages.
5. Repairs of transportation equipment.
6. Supplies, such as gas, oil, tires, tubes, grease, etc.

NOTE: Transportation expenses applicable to construction shall not be included in operating expenses.

3. GENERAL EXPENSES

580 Administrative and general salaries.

This account shall include the cost of supervision and labor incurred in administrative, customer accounts, and sales activities.

ITEMS

1. Accounting and clerical work on customers accounts and on general records.
2. Meter reading.
3. Solicitation of business.
4. Stenographic work.
5. Supervision and administration.

581 Office supplies and expenses.

This account shall include office supplies and expenses incurred in connection with customer accounts, sales and general administration of the utility's operations.

ITEMS

1. Address plates and supplies.
2. Automobile service, including charges through clearing account.
3. Bank messenger and service charges.
4. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
5. Building service expenses for customer accounts, sales, and administrative and general purposes.
6. Commissions or fees to others for collecting revenues.

7. Communication service expenses.
8. Cost of individual items of office equipment used by general departments which are of small value or short life.
9. Meals, traveling and incidental expenses.
10. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 589).
11. Meter books and binders.
12. Office supplies and expenses.
13. Payment of court costs, witness fees, and other expenses of legal department.
14. Postage, printing and stationery.
15. Rent of office equipment.
16. Repairs of office equipment.

582 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operation function nor to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

584 Insurance expense.

A. This account shall include the cost of insurance or of reserve accruals (1) to protect the utility against losses and damages to owned or leased property used in its utility operations and (2) to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

586 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for the purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payment for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

588 Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees, and, also, including payments made to the United States for the administration of the Federal Power Act.

B. Amounts of regulatory commission expense which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

589 Miscellaneous general expenses.

This account shall include the cost of expenses incurred in connection with the general management of the utility not provided for elsewhere.

ITEMS

1. Industry association dues for company memberships.
2. Contributions for conventions and meetings of the industry.
3. Experimental and general research work for the industry.
4. Communication service not chargeable to other accounts.
5. Trustee, registrar, and transfer agent fees and expenses.
6. Stockholders meeting expenses.
7. Dividend and other financial notices.
8. Printing and mailing dividend checks.
9. Directors' fees and expenses.
10. Publishing and distributing annual reports to stockholders.
11. Institutional or goodwill advertising.
12. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.
13. Rents for property used in customer accounts, sales or administrative and general functions.

590 Uncollectible accounts.

This account shall be charged with losses from uncollectible accounts or with accruals to provide for anticipated losses from uncollectible utility revenues. Such accruals shall be credited to account 144, Accumulated Provision for Uncollectible Accounts—Cr. If the accrual method is used, losses from uncollectible accounts shall be charged to account 144.

592 Revenues from merchandising, jobbing, and contract work.

593 Costs and expenses of merchandising, jobbing, and contract work.

These accounts shall include respectively all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

NOTE A: The revenues and expenses of merchandising, jobbing and contract work shall be reported in this account if a state regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as an operating expense item; but the amounts shall be reported in accounts 415 and 416 if such regulatory body requires such income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 415 and 416, at its option, in which case the practice of the utility must be consistent.

NOTE B: See accounts 415 and 416 for list of items includible herein.

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